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NATIONAL SECURITY AGENCY
WASHINGTON 25, D. C.

~~CONFIDENTIAL~~

Serial: 76423

5 JUN 1958

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Director of Communications
Central Intelligence Agency

Dear Sir:

Reference is made to your memorandum, Serial OC 7642, Subj:
Cryptographic Equipment, TSEC/KG-3, dtd 5 May 58.

The transistorized TSEC/KG-3 referred to in your memorandum is a Developmental Model of the equipment and is designated TSEC/KG-3 (D-2). Since this Model has not been tested or evaluated by the National Security Agency, it can not be approved for operational use. However, NSA will take action to procure an additional equipment, including spare parts, for experimental use by CIA. It is estimated that this equipment will be delivered to CIA in October 1959.

It must be assumed that as a result of the test and evaluation of the KG-3(D-2), certain changes will be required. However, it is not expected that any changes will be required which will affect cryptographic compatibility with the present TSEC/KX-3. In any case, if such changes are necessary, similar changes will almost certainly be made in the KX-3.

In view of the above, NSA will fund the necessary \$40,000 for this equipment and if it is determined that it can be incorporated in the AS-5 System for operational use, appropriate arrangements will be made for CIA to reimburse NSA.

It is requested that this Agency be advised, at appropriate times, of the specific plans and operating procedures for on-line testing in order to minimize the possibility of compromise of the cryptographic logic.

Sincerely,

PAUL E. NEFF
Assistant Director

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